

## HCS SCS SB 591 -- STATE AND LOCAL REVENUES

SPONSOR: Parson (Franz)

COMMITTEE ACTION: Voted "do pass" by the Committee on General Laws by a vote of 9 to 2.

This substitute changes the laws regarding motor vehicle sales tax, interest rates, property tax on time-share units, motor vehicle valuations, and residential construction regulatory systems.

### MOTOR VEHICLE SALES TAX

The substitute defines a sale at retail for state sales tax purposes to include a motor vehicle, trailer, boat, or outboard motor registration with the Director of the Department of Revenue regardless of whether the sale took place in this state.

### INTEREST RATES

The substitute changes the laws regarding the application of a specific interest rate. The interest rate will be the adjusted prime rate charged by banks as determined by the Department of Revenue or the adjusted prime rate plus 1% for certain interest rates used by the Director of the Department of Revenue, late payments by the state for supplies and services, late payments by public entities to contractors, repayment of teaching degree scholarships, workers' compensation benefit payments, delinquent workers' compensation taxes, nursing student loans, creditor claims on written contracts that did not specify the rate of interest, judgments in tort cases, securities litigation, loans to political subdivisions for alternative fuel vehicles, failure to pay the odorized propane assessment, certain payments by and to the Land Reclamation Commission within the Department of Natural Resources, unclaimed property that the holder fails to pay the State Treasurer, overpayments by the Department of Mental Health to vendors, and judgments against air contaminant sources that have not paid fees.

### PROPERTY TAX ON TIME-SHARE UNITS

The classification of time-share units for property tax purposes is changed from commercial to residential property based on a ratio of the nights the time-share units are actually rented compared to the overall nights available for use in that time-share development. The substitute requires, on or before January 31 of each year, the developer, association, or person engaged to manage a time-share development on behalf of the developer or association who is responsible for remitting real property tax

assessed on a time-share development to provide to the county assessor the percentage of use in a given year for that development based on the sales tax collected and remitted.

#### MOTOR VEHICLE VALUATIONS

The substitute requires county assessors for personal property tax assessment purposes to use the trade-in value published in the October issue of a single nationally recognized guide of information for determining the value of a motor vehicle described in the publication as approved by the State Tax Commission in conjunction with the association representing the majority of assessors in the state. Currently, assessors must use the October issue of the National Automobile Dealers' Association Official Used Car Guide to determine a motor vehicle's value.

#### RESIDENTIAL CONSTRUCTION REGULATORY SYSTEMS

If any city, town, village, or county adopts, implements, and enforces a residential construction regulatory system applicable to residential construction within its jurisdiction, any fire protection district wholly or partially located therein is prohibited from enforcing or implementing a residential construction regulatory system. Any regulatory system adopted by a fire protection district or its board must be treated as advisory only and cannot be enforced. Fire protection districts will have final regulatory authority regarding the location and specifications of fire hydrants, fire hydrant flow rates, and fire lanes and can inspect residential dwellings but cannot charge a fee for the services.

**FISCAL NOTE:** Estimated Net Cost on General Revenue Fund of Unknown in FY 2013, FY 2014, and FY 2015. Estimated Net Cost on Other State Funds of Up to \$11,375 in FY 2013, FY 2014, and FY 2015.

**PROPONENTS:** Supporters say that assessors throughout the state are required to use the NADA book for their assessments and NADA has increased its prices because of this mandate. The bill will allow the State Tax Commission to approve a recognized organization's book to use for assessments, which will save a taxpayer money by being able to competitively choose instead of being locked into a specific book.

Testifying for the bill were Senator Parson; and Wendy Nordwald, Missouri State Assessor's Association.

**OPPONENTS:** Those who oppose the bill say that it should not require the use of the lowest trade-in value because it could

lead to a significant drop in personal property tax revenue which will negatively impact school districts.

Testifying against the bill were Cooperating School Districts of Greater St. Louis; Missouri School Boards Association; and Missouri Association of School Administrators.